

## Foreign exchange market developments

The Reserve Bank of Malawi conducted a foreign exchange auction with Authorised Foreign Exchange Dealer Banks on 28<sup>th</sup> November 2023. Based on the results of the auction, the market selling price remains at K1,700.00 per USD.

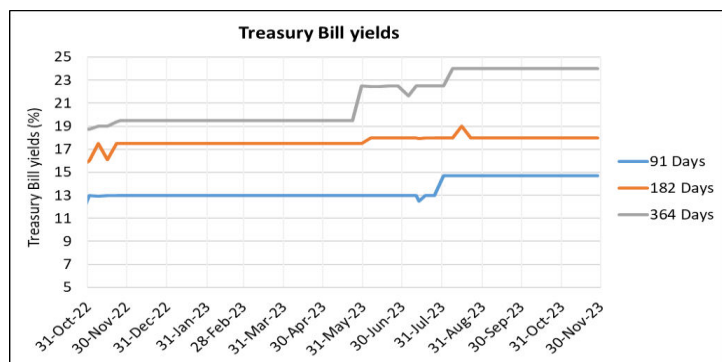
During the week, the Kwacha appreciated against the USD, EUR and ZAR but depreciated against the GBP as indicated in the table below:

Closing TT middle exchange rates as at the end of the week			
Currency	1-Dec-23	% Δ	24-Nov-23
USD	1696.9885	↑ -0.04%	1697.6121
GBP	2209.0959	↓ 0.53%	2197.3957
EUR	1905.8265	↑ -0.20%	1909.6962
ZAR	92.1527	↑ -0.39%	92.5143
Gross official foreign exchange reserves position			
	30-Sep-23	31-Aug-23	31-Jul-23
Reserves (USD'm)	242.68	239.56	267.91
Import cover (months)	0.97	0.96	1.07
Benchmark import cover (months)	3.00	3.00	3.00

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K2.46b from auction of Treasury Bills, K5.88b from auction of a 5-year Development Bond and K65.18b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K117.82b, resulting in a net injection of K44.30b into the market, compared to a net withdrawal of K59.59b in the previous week (Source: RBM).

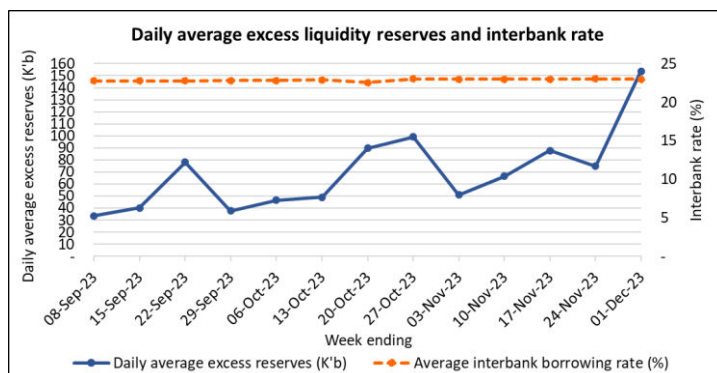


Treasury Bill auctions			
Auction date	28-Nov-23	% pts Δ	21-Nov-23
Amount offered - cost value (K'm)	10,380.00	0.00%	10,380.00
Applied - cost value (K'm)	2,458.52	↑ 52.15%	1,615.82
Allotted - cost value (K'm)	2,458.52	↑ 52.15%	1,615.82
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	14.7000%	0.0000%	14.7000%
182 days yield	18.0000%	0.0000%	18.0000%
364 days yield	24.0000%	0.0000%	24.0000%
All-type yield	18.9000%	0.0000%	18.9000%
Treasury Note and Bond auctions			
Auction date	28-Nov-23	21 & 22 Nov 2023	
Tenors	5-yr DB, 2, 3, 5, 7 & 10 yr TNs	2, 3, 5 & 10 yr TNs	
Coupon rate	13.50%, 10.00%, 11.00%, 12.50%, 13.50% & 15.00%	10.00%, 11.00%, 12.50% & 15.00%	
Amount offered - cost value (K'b)	15.00	K36.79b for 2-year TN	
Total applied - cost value (K'b)	10.44	65.18	78.53
Total allotted - cost value (K'b)	5.88	65.18	77.41
Allotted - weighted average ytm	30.00%	26.75%, 28.00%, 30.00%, 32.00% & 33.00%	26.75%, 28.00%, 30.00% & 33.00%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	26.75%	28-Nov-23	TBA
3-year TN	28.00%	28-Nov-23	12-Dec-23
5-year TN	30.00%	28-Nov-23	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	32.00%	28-Nov-23	26-Dec-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	33.00%	28-Nov-23	05-Dec-23
10-year Development Bond	23.35%	26-Apr-22	TBA
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
05-Dec-23	10	19.51	10.00%
12-Dec-23	3	33.64	11.00%
26-Dec-23	7	27.43	13.50%
Projected maturities			
Week ending	1-Dec-23	8-Dec-23	15-Dec-23
TBs, PNs & TNs (K'm)	117,819	47,819	42,085
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K153.85b during the week from K74.70b in the previous week. Daily average interbank borrowing decreased to K19.95b from K42.97b. Borrowing on the Lombard facility slightly increased to the average of K54.48b per day from K53.72b per day in the previous week. The average interbank borrowing rate marginally decreased to 23.00% from 23.02%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
Rate	27-Oct-23	% pts Δ	27-Jul-23
	24.00%	0.00	24.00%
Market Reference Rate			
Rate	Dec-23	% pts Δ	Nov-23
	23.60%	0.10	23.50%
Inflation Rate			
Rate	Oct-23	% pts Δ	Sep-23
	26.9%	-0.90	27.8%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.11% to close the week at 113,079.47 points from 113,206.94 points in the previous week due to share price losses in AIRTEL (-11.26%), FDHB (-0.01%), NBS (-0.32%) and TNM (-3.83%), which offset share price gains in ILLOVO (2.62%) and STANDARD (12.90%). The market traded 17,621,279 shares at a consideration of K4.08b in 216 trades, compared to 7,559,454 shares traded at a consideration of K4.42b in 274 trades in the previous week. The year-to-date return on MASI stands at 82.28% compared to 31.80% for the same period in 2022 (Source: MSE).

Stock market trading activity			
	01-Dec-23	% Δ	24-Nov-23
MASI	113,079.47	↓ -0.11%	113,206.94
DSI	88,835.35	↓ -0.13%	88,948.77
FSI	15,048.88	0.00%	15,048.88
Traded volume	17,621,279	↑ 133.10%	7,559,454
Number of trades	216	↓ -21.17%	274
Value of shares traded (K'm)	4,076.23	↓ -7.77%	4,419.71
Market capitalisation (K'm)	6,107,407.86	↓ -0.11%	6,114,238.30
Gainers			
	Closing price (K)	% Δ	Opening price (K)
ILLOVO	1250.00	↑ 2.62%	1218.10
STANDARD	3500.00	↑ 12.90%	3100.02
Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	79.99	↓ -11.26%	90.14
FDHB	67.94	↓ -0.01%	67.95
NBS	106.73	↓ -0.32%	107.07
TNM	26.90	↓ -3.83%	27.97

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
SUNBIRD	Interim declared	2.00	5-Dec-23	8-Dec-23	15-Dec-23
FDHB	Interim declared	0.95	13-Dec-23	15-Dec-23	21-Dec-23
NBS	2nd interim declared	1.20	6-Dec-23	8-Dec-23	29-Dec-23
NICO	2nd interim declared	2.00	20-Dec-23	22-Dec-23	28-Dec-23
ILLOVO	2nd interim declared	12.60	TBA	TBA	TBA
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

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